GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:3185
ANSWERED ON:05.08.2002
EXEMPTION OF TRUSTS BY EPFO
KANTI SINGH;RAGHUVANSH PRASAD SINGH;RAM PRASAD SINGH

Will the Minister of LABOUR be pleased to state:

(a) whether the Employees Provident Fund Organisation have exempted a number of Trusts which are maintaining the Employees Provident Funds;

(b) if so, the details of such guidelines issued by the Employees Provident Fund Organisation;

(c) whether any audit is being done by the organization in the functioning of these trusts;

(d) if not, the reasons therefor; and

(e) the action taken or proposed to be taken by the Government against these trusts?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN)

(a) & (b): Yes, Sir. As on 31.03.2002, 2588 establishments have been granted exemption. The corpus of the exempted trusts as on 31.03.2002 is Rs.37,275.84 crore with membership of 38.57 lakh. Currently 29 conditions have been prescribed by the Government for grant of exemption and the establishments who fulfill the conditions are granted exemption from the provisions of EPF & MP Act, 1952.

(c) to (e): Periodic inspection of the exempted establishments is carried out by the Employees Provident Fund Organisation. In the Wake of reported fraud in Seamen`s Provident Fund Trust, a special audit was carried out in 2,069 establishments. The Audit Reports in respect of 1,827 establishments, which have been analysed, have revealed that securities worth Rs.23,07,78,785/- are not available physically with the trusts though the allotment letters and other proof of investments are available. As the proof of investment exists with the exempted trusts, there is no cause for concern. In case any loss is detected, action against those responsible will be taken as per law.